

SERFF Tracking Number: CFAP-125900991 State: District of Columbia
 Filing Company: Group Hospitalization and Medical Services, Inc. State Tracking Number:
 Company Tracking Number: 1174
 TOI: H06 Health - Conversion Sub-TOI: H06.000 Health - Conversion
 Product Name: Filing #1174 GHMSI DC PPO Group Conversion
 Project Name/Number: DC PPO GC 200904 Eff/1174

Filing at a Glance

Company: Group Hospitalization and Medical Services, Inc.

Product Name: Filing #1174 GHMSI DC PPO SERFF Tr Num: CFAP-125900991 State: District of Columbia
 Group Conversion

TOI: H06 Health - Conversion

SERFF Status: Closed-APPROVED State Tr Num:

Sub-TOI: H06.000 Health - Conversion

Co Tr Num: 1174

State Status:

Filing Type: Rate

Reviewer(s): Laszlo Pentek

Authors: Anna Guloy, Todd Switzer, Disposition Date: 01/15/2009

David Mok, Katheryn Barron

Date Submitted: 11/24/2008

Disposition Status: APPROVED

Implementation Date Requested: 04/01/2009

Implementation Date:

General Information

Project Name: DC PPO GC 200904 Eff

Project Number: 1174

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 01/15/2009

Status of Filing in Domicile:

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Explanation for Other Group Market Type:

State Status Changed:

Created By: Katheryn Barron

Corresponding Filing Tracking Number:

Deemer Date:

Submitted By: Katheryn Barron

Filing Description:

This filing contains the rate proposal for Group Hospitalization and Medical Services, Inc. dba CareFirst BlueCross BlueShield's individual, non-Medigap, PPO Group Conversion medical and prescription drug coverages, with an effective date of April 1, 2009. Please refer to the Cover Letter/Filing Description (Supporting Documentation) and Actuarial Memorandum (Rate/Rule Schedule) for more details.

Company and Contact

Filing Contact Information

Katheryn Barron, Actuarial Assistant

katheryn.barron@carefirst.com

10455 Mill Run Circle

410-998-5716 [Phone]

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Owings Mills, MD 21117 410-720-5946 [FAX]

Filing Company Information

Group Hospitalization and Medical Services, CoCode: 53007 State of Domicile: District of
Inc. Columbia
840 First Street NE Group Code: Company Type: Hospital, Medical &
Washington, DC 20065 Group Name: Dental Service or Indemnity
(410) 581-3000 ext. [Phone] FEIN Number: 53-0078070
State ID Number:

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: No

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Supporting Document Schedules

| | Item Status: | Status Date: |
|--|--------------|-----------------|
| Satisfied - Item: Actuarial Justification Comments: Attachment: DC_GHMSI_Certification.pdf | APPROVED | 01/15/2009 |

| | Item Status: | Status Date: |
|---|--------------|-----------------|
| Satisfied - Item: Cover Letter / Filing Description Comments: Attachment: 1174 DC SERFF Cover Letter PPO GC.pdf | APPROVED | 01/15/2009 |

| | Item Status: | Status Date: |
|--|--------------|-----------------|
| Satisfied - Item: NAIC Transmittal Doc Comments: Attachment: 1174 NAIC Transmittal Doc.pdf | APPROVED | 01/15/2009 |

ACTUARIAL CERTIFICATION

I, Todd Switzer, am the Director of Actuarial Pricing with Group Hospitalization and Medical Services, Inc (GHMSI) doing business as CareFirst BlueCross BlueShield and a member of the American Academy of Actuaries. I have been involved in the development of these rates.

To the best of my knowledge and judgment, this rate filing complies with applicable laws and regulations of the District of Columbia and produces premiums that are reasonable in relation to benefits provided.



Todd Switzer, A.S.A., M.A.A.A.
Director of Actuarial Pricing
CareFirst BlueCross BlueShield
NAIC Number 53007
Finance Division
Mail Drop Point 01-780
10455 Mill Run Circle
Owings Mills, MD 21117-4208



November 24, 2008

Mr. Laszlo Pentek
Actuary
Government of the District of Columbia
Department of Insurance, Securities and Banking
Insurance Products Division
810 First Street, NE, Suite 701
Washington, DC 20002-8023

Re: Group Hospitalization and Medical Services, Inc.
CareFirst BlueCross BlueShield
NAIC# 53007, FEIN# 53-0078070
Individual, non-Medigap Business
PPO/BluePreferred, Group Conversion
Medical and Prescription Drug Coverage
Filing # 1174 (Previous Approved Filing Number: #995)

Dear Mr. Pentek:

Attached for your review is the actuarial memorandum for Group Hospitalization and Medical Services, Inc dba CareFirst BlueCross BlueShield's (NAIC # 53007) individual, non-Medigap, PPO Group Conversion coverage for an April 1, 2009 effective date. CareFirst BlueCross BlueShield (CFBCBS) is proposing a 24.8% rate increase to the medical product. CFBCBS is not proposing a change to the open or closed Rx rates at this time. Below is a summary of the pricing analysis pages for both the medical and prescription drug coverage (pages 3 and 13 of the actuarial memorandum):

| | Contracts a/o 8/31/08 | LR | Needed Rate Increase | Proposed Rate Increase |
|-------------------|----------------------------------|-----------|---------------------------------|-----------------------------------|
| Medical | 173 | 107.0% | 48.7% | 24.8% |
| Open Rx | 86 | 59.9% | -11.6% | 0.0% |
| Closed Rx | 87 | 35.7% | -40.7% | 0.0% |
| Med & Rx Combined | 173 | 96.1% | 36.5% | 20.9% |

As shown above, the proposed rate increase is lower than the needed rate increase, resulting in a shortfall. This will be subsidized by the available subsidization fund from Small Group and Large Group for 2009. We are utilizing the full available amount in the fund (\$393,673) and will absorb the remaining loss of \$571. Please refer to page 5 in the actuarial memorandum for details.

The form numbers affected by this memorandum are as follows:

DC/DP-IEA 9/95

PPP-A/DC- 4/96

D-CMM/MM ATTB/DB-4/96

DC/CF/DB/ELIG CONV (R.2/06)

DC/CF/IND RX3 (1/03)

DC/CF/RX2 (R. 2/03)

DC/NCA/RX-DRUG 7/97

DC/NCA/RX-DRUG/SOB 7/97

DC/CF/DB/TRANS (1/09) (effective through 3/31/09)

DC/CF/DB/ALL DEP MAT (3/09) (effective through 3/31/09, approval pending)

DC/CF/BP/DOCS (7/08) (effective 4/1/09)

We appreciate your consideration of this matter. If you have questions regarding this memorandum, please contact me at (410) 998-5716 or Mr. Todd Switzer, Director of Actuarial Pricing, at (410) 998-7107.

Sincerely,

Katheryn Black
Actuarial Assistant
Actuarial Pricing Department

Life, Accident & Health, Annuity, Credit Transmittal Document

| | | | | | | | |
|------------|---|--|-----------------------------|---------------------|-----------------------|---------------|----------------|
| 1. | Prepared for the State of | | | | | | |
| 2. | Department Use Only | | | | | | |
| | State Tracking ID | | | | | | |
| | | | | | | | |
| 3. | Insurer Name & Address | Domicile | Insurer License Type | NAIC Group # | NAIC # | FEIN # | State # |
| | | | | | | | |
| 4. | Contact Name & Address | Telephone # | Fax # | | E-mail Address | | |
| | | | | | | | |
| 5. | Requested Filing Mode | <input type="checkbox"/> Review & Approval <input type="checkbox"/> File & Use <input type="checkbox"/> Informational <input type="checkbox"/> Combination (please explain): _____ <input type="checkbox"/> Other (please explain): _____ | | | | | |
| 6. | Company Tracking Number | | | | | | |
| 7. | <input type="checkbox"/> New Submission <input type="checkbox"/> Resubmission | | Previous file # _____ | | | | |
| 8. | Market | <input type="checkbox"/> Individual <input type="checkbox"/> Franchise <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> Group <input type="checkbox"/> Small <input type="checkbox"/> Large <input type="checkbox"/> Small and Large <input type="checkbox"/> Employer <input type="checkbox"/> Association <input type="checkbox"/> Blanket <input type="checkbox"/> Discretionary <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____ </div> </div> | | | | | |
| 9. | Type of Insurance | | | | | | |
| 10. | Product Coding Matrix Filing Code | | | | | | |
| 11. | Submitted Documents | <div style="margin-bottom: 10px;"> <input type="checkbox"/> <u>FORMS</u> <input type="checkbox"/> Policy <input type="checkbox"/> Outline of Coverage <input type="checkbox"/> Certificate <input type="checkbox"/> Application/Enrollment <input type="checkbox"/> Rider/Endorsement <input type="checkbox"/> Advertising <input type="checkbox"/> Schedule of Benefits <input type="checkbox"/> Other </div> <div style="margin-bottom: 10px;"> <u>Rates</u> <input type="checkbox"/> New Rate <input type="checkbox"/> Revised Rate </div> <div style="margin-bottom: 10px;"> <input type="checkbox"/> FILING OTHER THAN FORM OR RATE: Please explain: _____ </div> <div> <u>SUPPORTING DOCUMENTATION</u> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Articles of Incorporation <input type="checkbox"/> Association Bylaws <input type="checkbox"/> Statement of Variability <input type="checkbox"/> Actuarial Memorandum <input type="checkbox"/> Other _____ </div> <div style="width: 45%;"> <input type="checkbox"/> Third Party Authorization <input type="checkbox"/> Trust Agreements <input type="checkbox"/> Certifications </div> </div> </div> | | | | | |

| | | |
|------------|-------------------------------------|---|
| 12. | Filing Submission Date | |
| 13 | Filing Fee (If required) | Amount _____ Check Date _____ |
| | | Retaliatory <input type="checkbox"/> Yes <input type="checkbox"/> No Check Number _____ |
| 14. | Date of Domiciliary Approval | |
| 15. | Filing Description: | |
| | | |

| | |
|--|------------------------------------|
| 16. | Certification (If required) |
| <p>I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and the filing complies with all applicable statutory and regulatory provisions for the state of _____.</p> <p>Print Name _____ Title _____</p> <p>Signature _____ Date: _____</p> | |

| | | | | |
|---|-------------------------------|------------------------------|---|-------------------------------------|
| 18. | Rate Filing Attachment | | | |
| This filing transmittal is part of company tracking number | | | | |
| This filing corresponds to form filing company tracking number | | | | |
| Overall percentage rate indication (when applicable) | | | | |
| Overall percentage rate impact for this filing | | % | | |
| | Document Name | Affected Form Numbers | | Previous State Filing Number |
| | Description | | | |
| 01 | | | <input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____ | |
| 02 | | | <input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____ | |
| 03 | | | <input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____ | |
| 04 | | | <input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____ | |
| 05 | | | <input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____ | |
| 06 | | | <input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____ | |
| 07 | | | <input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____ | |
| 08 | | | <input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____ | |
| 09 | | | <input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____ | |
| 10 | | | <input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____ | |

LH RFA-1